



# IRAQ Status Report

U.S. DEPARTMENT OF STATE  
Bureau of Near Eastern Affairs  
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

MARCH 3, 2011

## KEY DEVELOPMENTS

- [Demonstrations Take Place throughout Iraq](#)
- [GOI Passes 2011 Budget](#)
- [Commission on Wartime Contracting Issues New Report to Congress](#)
- [Iraqi Oil Refinery Restored to 40% Capacity after Attack](#)

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- [GOI 2011 Budget Breakdown](#)
- [Economic Data](#)
- [Spotlight on the Iraqi Stock Exchange](#)

### *Iraqi Politics*

**Demonstrations Take Place throughout Iraq:** The sporadic, scattered demonstrations that began in Iraq on February 4 culminated in the Iraqi “Day of Rage” on February 25. Demonstrations across Iraq have been mobilized and coordinated by grassroots organizations using social media networks such as Facebook and Twitter. In stark contrast to other countries in the region, however, the protestors in Iraq are pressing for reform rather than regime change. Protestors’ principal demands include an end to government corruption, improved social service delivery, and increased employment opportunities. The Government of Iraq and Prime Minister Nuri al-Maliki view protest as a legitimate right of the people guaranteed by the Iraqi Constitution. Despite the efforts of the Iraqi Police and Military to keep demonstrators safe, at least 33 people have died and over 155 have been wounded since protests began. Maliki has taken steps to ease tensions and to meet the demands of the protestors, including reducing salaries for elected officials, requesting parliamentary approval to move provincial elections up from 2013 and to dissolve many local city councils in towns and districts where members are appointed rather than elected. Additionally, Maliki has given his cabinet a 100-day deadline to improve performance or face “changes,” thereby testing the competency of government ministers. This does not mean that all the citizens' demands will be met within that timeframe. Enhancing social services, especially in the realm of electricity, requires developing infrastructure. Even as infrastructure is improved, it will take time for these improvements to have a substantial effect. (NEA-I-IPOG)

**GOI Passes 2011 Budget:** The Iraqi parliament passed the 2011 budget on February 20. The \$82.6 billion budget forecasts a deficit of \$13.4 billion and includes large allocations for Iraq’s ration program and other social services. The final 2011 budget also includes cuts in salary and personal benefits afforded to the Prime Minister, the President, the Parliamentary Speaker, ministers, and members of parliament. GOI leaders indicated that these diverted funds will be

distributed to citizens in the form of grants or will be funneled towards other reconstruction projects. (Aswat Al-Iraq, February 21, [http://en.aswataliraq.info/Default1.aspx?page=article\\_page&id=141093&l=1](http://en.aswataliraq.info/Default1.aspx?page=article_page&id=141093&l=1); Bloomberg, February 22, <http://www.bloomberg.com/news/2011-02-22/iraq-planning-to-cut-in-half-salaries-benefits-of-top-officials.html>)

### *Congressional Activity*

**Commission on Wartime Contracting Issues New Report to Congress:** The Commission on Wartime Contracting in Iraq and Afghanistan released its second report to Congress on February 24, outlining 32 proposals to reduce financial waste and improve oversight of civilian contractors in Iraq and Afghanistan. The report, titled “At What Risk? Correcting Over-Reliance on Contractors in Contingency Operations,” alleges that the United States has wasted “tens of billions” on contractor-led U.S. operations in Iraq and Afghanistan. In a press release, the Commission estimates “of the amounts of waste, fraud, and abuse in contingency contracting may understate the problem because it might not take full account of ill-conceived projects, poor planning and oversight by the U.S. government, and criminal behavior and blatant corruption by both government and contractor employees.” Commission co-chair Michael Thibault, a former deputy director of the Defense Contract Audit Agency, said in the report, “When it comes to oversight of contingency contracting, we’ve been driving beyond the reach of our headlights; reforms are badly needed. (Press Release, Commission on Wartime Contracting, February 24, <http://www.wartimecontracting.gov/>)

### *Energy Sector*

**Oil Refinery Restored to 40% Operating Capacity After Attack:** Iraq’s Bayji oil refinery, located in Salah ad-Din province, is functioning at 40% of operating capacity (190,000 barrels per day) since the February 26 attack. Bayji produces gasoline, diesel/gasoil, kerosene, and liquefied petroleum gas (i.e. propane) for nine provinces in northern and central Iraq. The Bayji Director General estimated that they need 45 days to bring the damaged processing unit to 50% of operating capacity. Gasoline and other fuel shortages are possible, which means that Iraq will have to increase fuel imports from neighboring Turkey, Syria, and Iran. Iraq was weening itself off of fuel imports due to better fuel yields at the refineries. This will be an extra burden on the Iraqi budget to import more fuel. Though public/private refineries exist in the Kurdistan Region, their output will not be enough to cover the deficit caused by this incident. (Reuters, February 28, <http://af.reuters.com/article/energyOilNews/idAFRAS84088120110228?sp=true>; Aswat Al-Iraq, February 26, [http://en.aswataliraq.info/Default1.aspx?page=article\\_page&id=141195&l=1](http://en.aswataliraq.info/Default1.aspx?page=article_page&id=141195&l=1); Industrial Fuels and Power, March 1, 2011; NEA-I-IPOG)

*News of Note*

**U.S. Soldiers Distribute Micro-Grants to 36 Iraqi Businesses ([USF-I Official Website](#), February 25)**

**Moqtada al-Sadr Returns to Iraq, Again ([Aswat al-Iraq](#), February 23)**

**USF-I Spokesman: Postponing F-16 Purchase Positive Step ([Zawya](#), February 23)**

**Central Bank of Iraq Repays \$2.7 Billion in Debt Commitments before June 2011 DFI Expiration ([Kurdistan News Agency](#), February 23)**

**Ministry of Oil Announces Record Revenues ([AFP](#), February 23; [Dow Jones](#), February 23)**

**USF-I Conducts Training Exercises with Iraqi Military, Police ([USF-I Official Website](#), February 23; [USF-I Official Website](#), February 23)**

**Human Rights Watch Issues Report on Minorities in Iraq ([AFP](#), February 22)**

## Government Organization Chart

\* Note: New Format, No Additional Changes as of Feb. 17th

President	Prime Minister	CoR Speaker
Jalal Talabani	Nuri Kamal al-Maliki	Usama al-Nujaifi
Vice Presidents	Deputy Prime Minister - Services	First Deputy CoR Speaker
Pending	Deputy Prime Minister - Energy	Qusay al-Sabih
	Hussain al-Shahrastani	Second Deputy CoR Speaker
		Arif Tayfour

### Ministries

Agriculture	Communications	Culture	Defense	Displacement & Migration	Education	Electricity
Izz al-Din al-Dawlahi	Muhammad Allawi	Sadun al-Dulaymi	Nuri Kamal al-Maliki (Acting)	Dindar Najman Sharif Doski	Muhammad Khalfat Tamim al-Jaburi	Ra'ed Shalla al-Arifi
Environment	Finance	Foreign Affairs	Health	Higher Education and Scientific Research	Minister of Housing & Construction	Human Rights
Sergeon General Sulaywan	Rafi al-Issawi	Hoshiyar Zebari	Majid Hamad Amin Jamil	Ali al-Adib	Muhammad Sabir al-Daraji	Muhammed Shia al-Sudani
Industry & Minerals	Interior	Justice	Labor & Social Affairs	Municipalities & Public Works	Minister of Oil	Minister of Planning
Almad Nasir Dhi al-Karbuli	Nuri Kamal al-Maliki (Acting)	Hasan al-Shammari	Nasser al-Rubai	Adil Mhoubir Rathi Mahoud al-Maliki	Abd al-Karim al-Laybi	Nasser al-Rubai (Acting)
Minister of Science & Technology	Minister of Trade	Minister of Transportation	Minister of Water Resources	Minister of Youth & Sports		
Abd al-Karim al-Samarrai	Khairallah Hassan Babikir	Hadi al-Amiri	Mohamed Salman al-Sa'di	Jasim Muhammad Jafar		

### Ministries of State

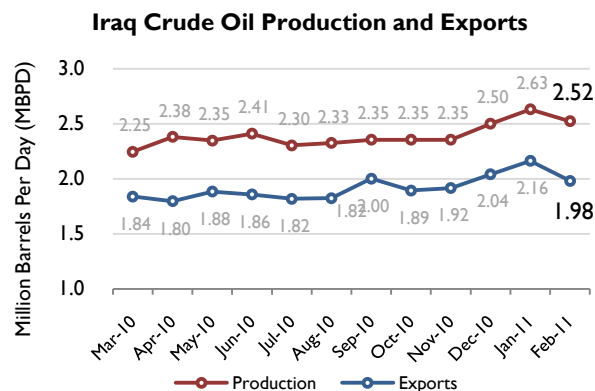
Civil Society Affairs	Foreign Affairs	Government Spokesman	National Reconciliation	National Security	Parliamentary Affairs	Coalition
Dahmed Qasim Hassoun	Ali al-Sajri	Ali al-Dabbagh	Amit al-Khuzai	Nuri Kamal al-Maliki (Acting)	Safa' al-Din al-Safi	State of Law
Provincial Affairs	Tribal Affairs	Tourism and Antiquities	Without Portfolio	Without Portfolio	Without Portfolio	Iraqiya
Turban Muthir al-Muthi	Jamal Abd al-Mahdi al-Banhi	Lawa al-Sumaysim	Salah Muzahim Darwish	Bushra Husayn Salih Ali Zayuni (F)	Diya Najim al-Asadi	Iraqi National Alliance
Without Portfolio	Without Portfolio	Without Portfolio	Without Portfolio	Women's Affairs		Kurdish Alliance
Abd al-Mahdi Hassan Mutayiri	Yasin Hassan Muhammad	Hasan al-Sari	Abd al-Salib Qahrman	Ebtihal al-Zaidi		Other

Department of State, NEA-I-IPOG, NEA-I-IPOG-DL@state.gov

## Current Economic Indicators

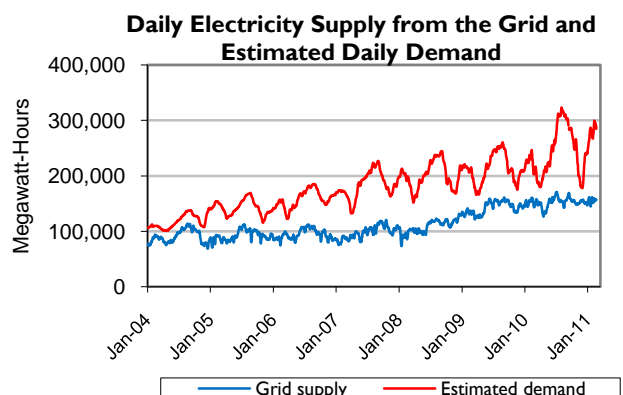
### Crude Oil Average Closing Prices (February 21-February 25)

Basrah Light \$103.50/bbl || Dated Brent \$109.69/bbl || WTI Cushing \$95.71/bbl || Oman/Dubai \$106.14/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$10.2 Billion (est)



February 13-19 supply of electricity from the grid was 5% above 2010 and met 55% of estimated demand compared with 72% for the year-earlier period.

Source: Department of State, NEA/I Economics Section, [NEA-I-ECON-DL@state.gov](mailto:NEA-I-ECON-DL@state.gov)

### Important Numbers Featured in the 2011 Iraqi Budget

<b>\$82.6 billion</b>	<b>Total budget</b>
<b>\$13.4 billion</b>	<b>Projected Deficit</b>
<b>\$76.50/barrel</b>	<b>Average Oil Price</b>
<b>2.2 million</b>	<b>Exported Barrels Per Day (BPD)</b>
<b>\$61.4 billion (89% of total)</b>	<b>GOI Revenues from Oil</b>
<b>\$25.7 billion</b>	<b>Capital Investment Budget</b>

Source: [Reuters](#), February 20; [Al-Sumaria TV](#), February 21

### *Spotlight*

**Iraqi Stock Exchange:** Since its inception in 2004, the Iraq Stock Exchange (ISX) has expanded from conducting bi-weekly trading sessions in a Baghdad restaurant to trading five times a week using the first electronic trading system in the history of the Iraqi financial marketplace. In 2010, the ISX conducted 237 trading sessions, during which 400 billion dinars (\$339 million) amounting to 25.56 billion shares were exchanged. According to ISX Director Taha Ahmed Abdul Salam, 85 companies are trading on the ISX, although most of the trading is financial services stocks. The maturation of Iraq's financial sector, including its equities market, will play a key role in the country's economic diversification and overall prosperity. Several foreign-Iraqi joint ventures in the banking sector actively trade on the ISX. Furthermore, foreigners, under the same rule as Iraqis, can own a majority stake in shares. However, the Council of Representatives still needs to ratify the 2008 Capital Markets Law, which will provide critical oversight and regulation of Iraq's capital markets. A liquid capital market benefits investors and companies alike, and draws in foreign direct investment, and subsequently, job opportunities, from all corners of the World. As this exchange continues to grow, so will Iraq's place in the regional and world economy. (NEA-I-IPOG, AP, August 20, 2010;

[http://www.google.com/hostednews/ap/article/ALeqM5j38Z\\_LI-luVnR6U-1BWnWuVRTHPgD9HN2TL80](http://www.google.com/hostednews/ap/article/ALeqM5j38Z_LI-luVnR6U-1BWnWuVRTHPgD9HN2TL80); Al Bawaba, January 21, 2011, Article source: <http://www.iraq-businessnews.com/2011/01/20/339m-traded-on-isx-in-2010/>)

**For additional information, please see:**

- **Department of State, Iraq Status Reports**  
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**  
[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)
- **Central Intelligence Agency, World Factbook**  
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

**Please forward all questions and/or comments to:**  
[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov) or call 202-663-1584

***ISR Survey***

- 1. For what purpose(s) do you or your company/institution use the ISR?**
- 2. What sections of the new ISR do you find most useful? Least useful?**
- 3. Is there any information that you would like to see in the ISR that is not currently included?**
- 4. What improvements and/or additions do you recommend?**
- 5. Please use the following space to express any open-ended comments that you may have including how this version of the ISR compares with the old version:**